

STATEMENT OF THE WHARTON CENTER Re: H.B. 4015

Good afternoon – I'm Jarrod Bradford, Director of Ticketing, Sales & Digital Marketing at Wharton Center for Performing Art, Michigan State University. Thank you Chairman HI-ZEE and the members of this committee for allowing me to speak today.

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- Wharton Center, along with Michigan State University, and The Broadway League, urges the **State House** to vote **NO** on H.B. 4015.
 - HB 4015 is disguised as a blow for consumer freedom, but it actually provides the opportunity for ticket scalpers to operate more freely in Michigan.
 - HB 4015 does little except to prohibit Michigan's law enforcement and the live entertainment industry from protecting consumers from ticket scalping.

LET ME TELL YOU WHY

- If enacted, HB 4015 will remove the ability of entertainment venues to ensure that tickets go to patrons – that is, to real people.
- It would allow tickets to be purchased legally by scalpers, primarily operating through online internet platforms, for the sole purpose of reselling them at enormous profit.
- That's not fair to the consumer because:
 - It will cause higher ticket prices
 - and
 - Will expand dishonest ticket broker practices

Which results in irate consumers, who ultimately hold the venue at least partially responsible for their misfortune.

FOR EXAMPLE, WHARTON CENTER HAS EXPERIENCED

- Scalpers who mislead the public into believing they are doing business with an authorized agent by:

- Inserting our venue name into their URLs online
- Posting copyrighted logos without legal permission on their websites
- Concealing a tickets actual face-value

It's only **after** purchasing a ticket that consumers learn they've actually bought their ticket from an unaffiliated third-party and paid far more than the ticket's actual face value.

- Most frequently, in the internet era, scalpers masquerade as the actual performance venue, and advertise tickets they haven't even purchased themselves. They advertise our tickets at vastly inflated prices, when the same seats may be available at our own website and ticket office at half or a third of the price. After the unwitting patron orders the seat at inflated prices from the scalper site, the broker then purchases the ticket directly from us at it's appropriate face value.
- Brokers sometimes purchase large numbers of tickets **and in the process** eliminate our inventory and prevent theatre-goers from buying tickets from us, **the source**. This forces consumers to purchase from scalpers and often pay massive markups.
- Once a broker delivers a ticket to a patron, they ignore customer complaints, which leaves us to explain to the consumer why their ticket clearly says \$80 on it, but they paid \$300.
- We also can't help the consumer if there are difficulties:
 - these tickets cannot be exchanged or replaced if lost
 - we have no way to contact the patron in cases of show time changes, cancellation, or if there are parking or weather issues, because our records reflect the broker as purchaser. We do not have the contact information of the actual theatre-goer.
- So, in this process, brokers are stealing our identity, our intellectual property, and our good name.

H.B. 4015 REPEALS THE STATE'S EXISTING CONSUMER PROTECTIONS:

- These protections prohibit reselling a ticket for more than the face value without the consent of the venue.
- Our industry thrives in Michigan because of satisfied customers, and it's vital to Michigan's economy.
- According to statistics from the *Michigan Economic Development Corporation*:
 - Michigan's Arts, Entertainment and Recreation industry employs nearly 96,000 people.
 - The Gross Regional Product of the Arts, in Michigan exceeds \$3 billion per year.

- And, it's estimated the economic impact Broadway shows touring in Michigan in 2009 alone was \$117 million -- not to mention the economic value of the myriad of concerts and other performing arts presented around the state.
- Our fear is that Artists will begin to avoid performing in Michigan if they can't rely on venue-managed, consumer-friendly sales methods.
- Theatre-goers **cheated** by brokers become dissatisfied consumers – they are less likely to purchase tickets in the future.
- Brokers mislead the public and make **unwarranted** profit from our tickets.
- Let me give you a current example of what I outlined:
 - THE PHAMTON OF THE OPERA will perform at Wharton Center next month, April 2015.
 - When this show was NOT **even on sale yet** to the general public
 - I found a ticket site that looked perfectly legitimate – if you're not familiar with Wharton Center's website, you could easily mistake it for our own
 - This site was offering our \$74 tickets for \$289
 - I can guarantee you this broker was not in possession of these seats.
 - Brokers are NOT patrons or consumers.
 - They are not interested in the rights of our consumers.
 - The State Legislature should NOT endorse their practices.

THANK YOU for your time.

